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SUBJECT: DHAKA MINISTERIAL TAKES MODEST STEPS TOWARDS MORE ROBUST BIMSTEC

1. Summary: The Eighth BIMSTEC Ministerial Meeting agreed to modest steps to enhance cooperation among its seven South Asian and Asian members during its December 18-19 meeting in Dhaka. The key agreement was on implementation of the BIMSTEC FTA in goods on July 1, 2006 and a commitment to address issues that must be resolved before a full FTA including services and investment can be concluded. Ministers noted progress in the largely economic focused existing areas of cooperation, added new areas of cooperation and formed an experts group to prepare a proposal on a formal secretariat for BIMSTEC. India agreed to host key senior

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level meetings in 2006 and the Second BIMSTEC Summit in early 2007. End summary.

2. Foreign ministers representing the seven South Asian and Asian members of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) met December 18-19 in Dhaka. The ministerial was preceded on December 18 by the Tenth Senior Officials Meeting. The foreign ministers issued a joint statement following the conclusion of the meeting. A copy of the statement is available at:
http://www.mofa.gov.bd/bimstec/joint_minis_decl.html

Trade Liberalization Key Result -----

3. Economic cooperation remains at the core of BIMSTEC's agenda. Ministers reaffirmed their commitment to implement an FTA in goods by July 1, 2006, directing experts to meet in Kathmandu December 21-27 to hammer out final details. An additional experts meeting will be held in January if necessary so that the "Agreement on Trade in Goods" could be signed at a Spring Trade/Economic Ministers Meeting in Dhaka. Ministers also agreed to fast track discussions on trade facilitation measures, including removal of non-tariff barriers, negotiation of mutual recognition agreements, and provisions on avoidance of double taxation.

4. On other economic issues, the ministers principally expressed satisfaction with progress at the working level on technology, energy cooperation, and tourism and noted the importance of regional cooperation in transport and communication, fisheries and agriculture. The ministers stressed the importance of IPR protection for biotechnology, traditional medicine and plant and genetic resources. In a nod to the host country, Bangladeshi agricultural proposals for greater technical cooperation were endorsed.

Expanding BIMSTEC's Remit -----

5. The ministers discussed several issues first raised at the First BIMSTEC Summit, including poverty alleviation, cultural cooperation, terrorism and transnational crimes, environment and disaster management, public health and people-to-people contacts. Together with agriculture, these sectors were added to the list of priority sectors on which BIMSTEC would focus its work program. Specifically, the ministers:

-- Urged ministers at an upcoming ministerial meeting on poverty alleviation to adopt a comprehensive plan of action consistent with the Millennium Development Goals

-- Praised working group progress on advancing member state cooperation in combating terrorism and transnational crime

-- Acknowledged the need for greater coordination and information sharing in response to emerging and regional infectious diseases, including avian influenza, HIV/AIDS, SARS, malaria, dengue and tuberculosis

-- Welcomed establishment in India of a Weather and Climate Center, noting its importance for disaster management and supporting cooperation with similar regional units under SAARC and the Asian Disaster Preparedness Center

-- Supported Bhutan's preparations for the first ministerial meeting on culture, designated June 6 as "BIMSTEC Day" to

promote awareness of BIMSTEC, and endorsed proposals to facilitate movement of people, starting with business travel and then liberalizing, and eventually eliminating, visa requirements.

Building for the Future

16. Originally conceived as a forum for discussion of regional issues, BIMSTEC lacks a permanent secretariat. The BIMSTEC Center, based in Thailand, has handled limited administrative functions up to now. Given BIMSTEC's growing ambitions and work program, the ministers agreed the time has come for a small secretariat, and authorized an experts group to consider modalities and other details. In the meantime, ministers formally authorized the BIMSTEC Center to act as a "mini-secretariat" until a formal secretariat is established.

Next Steps

17. Several key meetings were agreed to over the next 15 months. The Trade/Economics Ministers Meeting will be held in Dhaka in spring 2006 to finalize the FTA in goods. India will host the next Senior Officials Meeting in July/August 2006 and the Ninth BIMSTEC Ministerial Meeting, presumably at the same time. India will also host the Second BIMSTEC Summit in early 2007.

CHAMMAS